

M/049/021

From: Wayne Hedberg
To: Minerals
Date: 10/15/03 5:09PM
Subject: Document Phone Conversation w/E. J. Stokes - Cherry Hill (M/049/021)

In response to a suggestion from counsel following a brief meeting with management on Wednesday morning (10/15/03) regarding the Cherry Hill Park Mine, I called Mr. E. J. Stokes, land owner of the mine property.

I asked him if he was aware of the current activities being conducted by Dan and Steve Powell, and if these operations were authorized under his lease with them. He said he had received a call from Steve Powell within the past two weeks saying they were trying to get something going. I didn't get the impression that he was aware of the recent activities observed last week by the Division. I also asked him to explain the current status of his contract/lease with Emery Industrial Minerals (Dan Powell).

He told me that the operator is in default under several provisions of the lease/contract, although he has taken no action to date to formally advise him of same. He said he had been waiting to see what was eventually worked out between the State (DOGM) and EIM first. To date, he has not notified them that they could not work the site. He said that for any material removed, he was to receive a royalty. He said it has been many years since he has received any money from the operator, but that many promises had been made over the years.

Mr. Stokes said he was not happy with the current arrangement, but wasn't sure what he would do next.

I asked him if his current lease required the operator to perform reclamation when mining ceased. He said yes, it required the operator to bare all costs for reclamation. I also asked him if he would be willing to assume the permit and bond the site in place of EIM. He said probably not, because he would need some source of income from the property to post a reclamation bond. His first preference would be to have the property developed/mined. If the Powell's (or someone else), are not able to continue mining the property, he would want the mine site reclaimed.

He thanked me for the call and asked if we would please keep him informed of our continued negotiations with EIM. I said we would keep him advised.

Please place a copy of this email memo in the mine file (M/049/021).

CC: Mary Ann Wright; Steve Alder